

AMENDED IN ASSEMBLY MARCH 19, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 243

Introduced by Assembly Member Runner
(Coauthor: Senator Knight)

February 14, 2001

An act to add Section ~~7392.1~~ 6389 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 243, as amended, Runner. ~~Aircraft jet fuel tax: exemption~~
Sales and use taxes: exemption: jet fuel.

~~Existing law imposes a tax upon every aircraft jet fuel dealer at the rate of 2¢ for each gallon sold, as provided.~~

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property.

This bill would exempt from that tax any aircraft jet fuel sold to an aircraft jet fuel user at any airport located within an enterprise zone.

~~This bill would take effect immediately as a tax levy, but would become operative on January 1, 2002.~~

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but would become operative as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

~~1 SECTION 1. Section 7392.1 is added to Article 2
2 (commencing with Section 7392) of Chapter 2.5 of Part 2 of
3 Division 2 of the Revenue and Taxation Code, as added by Section
4 6 of Chapter 1053 of the Statutes of 2000, to read:~~

~~5 7392.1. There is exempted from the tax imposed by Section
6 7392 any aircraft jet fuel sold to an aircraft jet fuel user at any
7 airport that is located within an enterprise zone designated
8 pursuant to Section 7073 of the Government Code.~~

~~9 SEC. 2. This act provides for a tax levy within the meaning of
10 Article IV of the Constitution and shall go into immediate effect.
11 However, this act shall become operative on January 1, 2002.~~

~~12 SECTION 1. Section 6389 is added to the Revenue and
13 Taxation Code, to read:~~

~~14 6389. There are exempted from the taxes imposed by this part,
15 the gross receipts from the sale in this state of, and the storage, use,
16 or other consumption in this state of, aircraft jet fuel, as defined
17 by Section 7387, sold to an aircraft jet fuel user, as defined by
18 Section 7389, at any airport that is located within an enterprise
19 zone designated pursuant to Section 7073 of the Government
20 Code.~~

~~21 SEC. 2. Notwithstanding Section 2230 of the Revenue and
22 Taxation Code, no appropriation is made by this act and the state
23 shall not reimburse any local agency for any sales and use tax
24 revenues lost by it under this act.~~

~~25 SEC. 3. This act provides for a tax levy within the meaning of
26 Article IV of the Constitution and shall go into immediate effect.
27 However, the provisions of this act shall become operative on the~~

- 1 *first day of the first calendar quarter commencing more than 90*
- 2 *days after the effective date of this act.*

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